



FIRST
ANNUAL STATEMENT

YEAR ENDED OCTOBER 31, 1968

BANK
OF
BRITISH COLUMBIA

BOARD OF DIRECTORS

ALBERT EARL HALL *Chairman of the Board and President*

EINAR MAYNARD GUNDERSON *Honorary President*

HAROLD BARRINGTON ELWORTHY *Vice President*

DONALD MCGILLIVRAY CLARK *Secretary*

JOHN BENE,
Vancouver, B.C.
Director, Weldwood of Canada Limited

RUSSEL JAMES BENNETT,
Westbank, B.C.
President, Bennett's Stores (Kamloops) Ltd.

JOHN ALBERT BRUSSET,
West Vancouver, B.C.
Vice President, Cumont Mines Ltd.

BERNARD O. BRYNELSEN,
Vancouver, B.C.
Manager, Western Division
Noranda Exploration Co. Ltd. (N.P.L.)

RALPH TORRANCE CUNNINGHAM,
Vancouver, B.C.
President, Cunningham Drug Stores Ltd.

COLEMAN E. HALL,
Vancouver, B.C.
President, Devonshire Hall Ltd.

KENNETH A. W. LONG,
Kamloops, B.C.
President, Fadear Creek Lumber Co. Ltd.

JOHN A. McMAHON,
Vancouver, B.C.
President and Chief Executive Officer,
Inland Natural Gas Company Ltd.

WILLIAM CLARK MEARNS,
Victoria, B.C.
Executive Director,
British Columbia Hydro & Power Authority

J. BRUCE SMITH,
Kelowna, B.C.
Chairman, Okanagan Investments Ltd.

Dear Shareholder:

We are happy to send you this, the first Annual Statement of the Bank of British Columbia. The Bank commenced banking operations on July 18, 1968, and accordingly the results shown in the accompanying statements include only part of a year of actual banking business.

In accordance with regulations applicable to banks, a substantial portion of our revenue prior to July 18, 1968, derived from term deposits is classified under income from loans rather than income from investments.

The total incorporation and organization expenses less income earned to October 31, 1967, representing substantially the cost of raising the Bank's capital, has been charged to the Rest Account. All organization expenses subsequent to October 31, 1967, have been charged to the operations for the year ended October 31, 1968.

There are no known losses from either our investments or our loans requiring specific provisions at this time. However, out of the year's net income, an appropriation of \$250,000. has been set aside as a general reserve. This is good, sound, business practice which all Canadian banks follow.

We are pleased to be able to report that after absorbing the organization expenses and setting up a general reserve the Bank has ended its first year with a profit.

The general public support since we opened our doors has been beyond our expectations and with three branches already operating and a fourth branch to be opened in December, your bank is one of Western Canada's growth institutions.

Yours sincerely,

A. E. HALL
Chairman and President

STATEMENT OF REVENUE, EXPENSES AND UNDIVIDED PROFITS

FOR THE FINANCIAL YEAR ENDED OCTOBER 31, 1968

REVENUE

Income from loans	\$ 593,400
Income from securities	351,992
Other operating revenue	<u>20,621</u>
Total revenue	<u>966,013</u>

EXPENSES

Interest on deposits	70,587
Salaries and other staff benefits	228,502
Property expenses, including depreciation	136,274
Other operating expenses	<u>239,664</u>
Total expenses	<u>675,027</u>
Balance of revenue	290,986
Appropriation for losses	<u>250,000</u>
Balance of profits for the year	40,986
Transferred to rest account	<u>11,596</u>
Undivided profits at end of year	<u><u>\$ 29,390</u></u>

STATEMENT OF ACCUMULATED APPROPRIATIONS FOR LOSSES

FOR THE FINANCIAL YEAR ENDED OCTOBER 31, 1968

Appropriation from current year's operations	<u>\$ 250,000</u>
Accumulated appropriations at end of year:	
General	\$ 250,000
Tax-paid	<u>-</u>
Total	<u>\$ 250,000</u>

STATEMENT OF REST ACCOUNT

FOR THE PERIOD FROM DECEMBER 14, 1966

(Date of Incorporation) TO OCTOBER 31, 1968

Premium on shares issued	\$ 7,658,325
Deduct incorporation and organization expenses less income earned for the period to October 31, 1967	<u>319,921</u>
	7,338,404
Transferred from undivided profits	<u>11,596</u>
Balance at end of period	<u>\$ 7,350,000</u>

BANK OF BRITISH COLUMBIA

STATEMENT OF ASSETS AND LIABILITIES As at October 31, 1968

ASSETS

CASH RESOURCES:

Cash and due from banks	\$ 13,006,191
Cheques and other items in transit, net	74,330
	<u>13,080,521</u>

SECURITIES:

Securities issued or guaranteed by Canada, at amortized value	2,019,159
Securities issued or guaranteed by a province, at amortized value	1,133,414
Other securities, not exceeding market value	9,993,522
	<u>13,146,095</u>

LOANS:

Day, call and short loans to investment dealers and brokers, secured	1,961,861
Other loans	5,002,695
	<u>6,964,556</u>

Bank premises at cost, less amounts written off	560,952
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Customers' liability under acceptances, guarantees and letters of credit, as per contra	34,978
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Other assets	79,434
	<u>\$ 33,866,536</u>

NOTE: During the period from incorporation to October 31, 1968, 510,555 shares were issued for \$12,763,875 of which \$5,105,550 was credited to capital and \$7,658,325 was credited to rest account.

ALBERT E. HALL
President

REGINALD B. BURTON
General Manager

LIABILITIES

DEPOSITS:

Deposits by Canada	\$ 35,847
Deposits by a province	546,495
Deposits by banks	255,215
Personal savings deposits payable after notice, in Canada, in Canadian currency	2,796,536
Other deposits	17,007,744
	<u>20,641,837</u>

Acceptances, guarantees and letters of credit	34,978
Other liabilities	454,781
Accumulated appropriations for losses	250,000

SHAREHOLDERS' EQUITY:

Capital (Note):

Authorized 1,000,000 shares, par value \$10 each.	
Issued and fully paid 510,555 shares	5,105,550
Rest Account	7,350,000
Undivided profits	29,390
	<u>12,484,940</u>
	<u>\$ 33,866,536</u>

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the statement of assets and liabilities of the Bank of British Columbia as at October 31, 1968 and the statements of revenue, expenses and undivided profits and accumulated appropriations for losses for the year ended on that date and the statement of rest account for the period from December 14, 1966 (date of incorporation) to October 31, 1968. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the foregoing statements present fairly the financial position of the Bank as at October 31, 1968 and the revenue, expenses, and undivided profits, accumulated appropriations for losses for the year ended on that date and transactions in the rest account of the Bank for the period ended on that date.

Vancouver, British Columbia
November 22, 1968

W. M. ANDERSON, C.A. of Winspear Higgins Stevenson & Doane	} Auditors
R. W. UNDERHILL, F.C.A. of Peat Marwick Mitchell & Co.	

OFFICERS OF THE BANK

ALBERT EARL HALL *Chairman of the Board and President*

~~REGINALD B. BURTON~~ *General Manager*

NEIL R. CAMPBELL *Assistant General Manager*

JACQUES A. SEIGNEURET, C.A. *Assistant General Manager*

F. PETER DARLING *Superintendent, International Banking*

H. DUKE SCOTT *Consultant, Toronto Office*

BRANCHES

Main Office: 999 West Pender Street, Vancouver

Granville & 13th Office, Vancouver

Douglas & Johnson Office, Victoria

Head Office: 505 Burrard Street, Vancouver 1, Canada

Toronto Office: 607, 8 King Street East, Toronto, Canada



BANK BY MAIL

Bank of British Columbia branches are as close to our clients as the nearest mail box or post office and at no cost to our clients.

We supply the necessary banking forms for customers' use together with postage prepaid envelopes for your deposits. This service is available to assist you in your banking when you use the following accounts and other banking business.

Current Accounts — For your company. Saves messenger time, car parking charges, etc.

Personal Chequing Accounts — Individuals can make their deposits by mail and pay all bills by mail. Statements of your monthly transactions along with cancelled cheques will be sent to you each month.

Chequing Savings Accounts — We pay $3\frac{1}{2}\%$ interest and you may issue cheques at a nominal charge.

B.C. Banksavings Accounts — This is your solid savings account which earns you 5%. Withdrawals may be made at any time by you personally but you cannot issue cheques on it.

A B.C. Banksavings Account for solid savings and a Personal Chequing Account for the payment of monthly bills is a convenient and easy way to do your banking.

BANK OF BRITISH COLUMBIA

